

Testimony of
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before the
House Post Office and Civil Service Subcommittee on
Compensation and Employee Benefits
April 3, 1984

Thank you for this opportunity to testify on pay equity, one of the most critical economic issues today.

My name is Florine Koole. I am an Assistant to the CWA Executive Vice President in charge of collective bargaining. The Communications Workers of America represents some 650,000 workers in both the public and private sectors. About 55% of our members are women.

CWA has been active in the pay equity arena for nearly a decade. Most significantly, we have implemented a comprehensive pay equity program within AT&T and the Bell System, a program which promises to end pay disparity for as many as one million workers in every state and locality across the nation.

We achieved this precedent-setting program through the collective bargaining process. Thus, it has been CWA's experience that litigation is only one, albeit sometimes necessary, approach to pay equity. My testimony today will focus on the collective bargaining alternative.

Politicians in 1984, searching for votes, have concluded that the gender gap is for real. They are right. But the gender gap extends far beyond the political arena. There is a very significant, very real, very harmful gender gap in our factories, offices, restaurants, hotels and governments -- in virtually every single place where Americans work.

This gender gap has nothing -- and yet everything -- to do with the gender gap discussed by political pundits, because this gender gap is the huge disparity between wages paid to women and to men.

Women are segregated into low-paying, dead-end jobs. More than 80% of all women workers work in only 25 of 427 possible occupational titles. These workers are poorly paid. Working women earn less than men in every job at every educational level. The median wage for all full-time women workers was about \$11,000, compared to \$18,000 for men. Three out of five working women earn less than \$10,000 per year. Only one percent earn more than \$25,000 per year.

What lies beyond these statistics is the cold, hard fact of discrimination. As the National Academy of Sciences concluded, "the more an occupation is dominated by women, the less it pays."

This conclusion -- and the snails pace action to make it obsolete -- are astounding. Not only is this condition offensive for social and moral reasons, but it is appalling for gut economic reasons: pay inequity represents a highly inefficient use of resources.

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When women are forced to work in a female ghetto, talent and skills are ignored and squandered. Turnover runs rampant. Health care costs rise for stress-related illnesses. This costs employers a lot -- not only in terms of money but also the less tangible costs of lost productivity, restricted organizational development and the like.

But perhaps worst of all, with pay inequity, poverty becomes entrenched. It's no accident that poverty in America is rapidly becoming solely female poverty. It's no accident that by the year 2000, all poor Americans will be women household heads and their children.

This costs state, local and federal governments -- and their taxpayers -- a lot of money. As the U. S. Department of Labor points out in a recent study, if wives and female heads of households were paid the same wages as similarly qualified men, about half of all families living in poverty would no longer be poor.

CWA Programs

CWA long has been active in the pay equity arena. We are on the Board of Directors for the Committee on Pay Equity. We work closely with academic experts in this field, including the National Academy of Science, helping to develop job data, evaluation standards and the like. CWA delegates to the mid-term Democratic Convention in 1982 also authored, advocated and successfully incorporated a pay equity policy into the party's platform.

These all are important steps toward equality. But what women workers need is action and concrete treatment of the problem.

One of the single most effective tools to overcoming job and wage discrimination is the organization of workers into unions. I am joined in this belief not only by other labor unions, but also by policymakers and activists in this field. Recently, a Democratic congressional organization, in reviewing key 1984 election issues, said on the comparable worth issue that women can effectively protect their rights and help guarantee unbiased job treatment through unions.

CWA's policies and programs bear this out. Many of our precedent-setting actions have set the standards for current and future pay equity activities. This same congressional paper pointed to our activities as an example of effective treatment.

Much of CWA's work has involved the private sector. But the conditions and problems unfortunately are the same whether one works for a private employer or a governmental unit. Our experience, therefore, has been universally instructive and hopefully will help this Subcommittee.

A decade ago, long before comparable worth became a hot issue, CWA established a committee to examine the content of Bell System jobs. The committee paid special attention to clerical jobs, many of which were undervalued over the years through job segregation and wage discrimination.

The committee found three fundamental problems which led to discrimination:

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1. A lack of uniformity in job titles -- a job function was classified differently depending on the location or division;
2. An excessive number of job titles; and
3. A too-narrow clustering of pay rates, especially for clerical workers, which meant that a woman worker had to be promoted many times before she saw a substantial wage increase.

These findings, taken to the bargaining table, led to several reforms. Job titles were streamlined, increasing efficiency. And the two largest job classifications, containing hundreds of thousands of women workers, were significantly upgraded.

Perhaps most significant, these findings led to our precedent-setting 1980 agreement with AT&T to undertake a comprehensive comparable worth program which eventually could affect the Bell System's one million employees.

The 1980 national contract established a joint union-management job evaluation committee. Job evaluation is the cornerstone of pay equity. Without effective research on existing job content and on the hiring, pay and promotion practices, there can be no real movement toward ending discrimination.

The joint committee established two key ground rules. One, that there had to be a carefully designed evaluation system to identify and score specific job factors. Two, that employees could appeal the scoring, job description and relative worth of their jobs.

The committee then started its most critical task -- documenting the work of AT&T employees. Fourteen test jobs representative of the race, sex, geographic and occupational distribution of Bell workers were selected for in-depth study. With the job studies, the committee began to devise a set of compensation factors and a scoring system to evaluate jobs.

There's no question it was difficult to incorporate the principles of pay equity into the compensation factors. The joint committee was fighting years of sex differentiation, in both the Bell System and society at large. Past job evaluation actually transferred biases into the wage-setting process.

The job evaluation group therefore selected and measured factors that apply equally to both "men's" jobs and "women's" jobs. These factors, for example, account both for the heavy physical demand present in male-dominated jobs and for the physical stress, fatigue and mental demands evident in female-dominated jobs.

The next step in this process involved testing the factors to purge the evaluation plan of any remaining biases. Recommendations for final, across-the-board implementation were made in the 1983 collective bargaining session.

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With federally-mandated divestiture splitting up the Bell System, however, the AT&T-CWA pay equity program has moved from the national level to the local level. Now CWA and each Bell Operating Company, as well as each AT&T unit, will implement pay equity through individual joint committees.

CWA's experiences in the private sector taught us a lot. I can't begin to catalog all the lessons but here are a few key items.

1. The commitment by employers to comparable worth must be strong. All levels of management, from the top down, must sincerely and actively work to eliminate discrimination. Hesitation, indecision or incomplete commitment must be strongly discouraged and eliminated.

2. Resources must be available. An effective program must be built on a solid foundation. Accurate data collection and job evaluation set the stage. New York State, recognizing this, has committed \$500,000 to study pay inequity and \$1 million toward a planned reorganization.

3. There must be real action in a timely matter. Lip service cannot continue. Studies must be started now and completed in a reasonable time, date certain.

4. Most important, there must be labor-management cooperation. Unilateral decisions by management will only result in a breakdown in the process. Workers should be involved from the start in evaluating jobs and developing job content measurements. Furthermore, there should be an appeals process to ensure workers are not frozen out.

Labor and management can work together, as we have proven in our AT&T experience. But if real cooperation is not encouraged, the results will end up meaningless.

Pay Equity Myths

There are three major myths advanced by pay equity opponents. I'd like to briefly deal with them.

MYTH #1 - You can't compare dissimilar jobs; the apples and oranges argument.

REALITY: Private sector employers and the government have always compared jobs. These comparisons have led to an organizational fact of life: hierarchy. Such comparisons, reflected in wage rates and job titles, form the foundation of virtually every single organization.

The key thing is that dissimilar jobs may not be identical, but they are comprised of equivalent tasks and characteristics.

MYTH #2 - The free market determines wage rates and women's jobs simply command lower wages.

REALITY: Leaving aside the thorny issue of whether we really have a free market, in a sense opponents are correct. There's no denying that we

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have economically pervasive lower pay in women's jobs. But this does not make it socially or morally right, nor economically efficient.

Furthermore, workers always have had to fight for proper compensation. Women workers in female-dominated jobs are less organized into unions than men. As women enter unions, we hopefully will eventually see equity.

But must we face the prospect of strikes over this issue and of long battles in the courts and legislatures? No one will benefit if this is the only way female workers can achieve equality in the "free" market.

MYTH #3 - Pay equity will cost too much.

REALITY: In several jurisdictions, the cost of equity has proven very modest. In Minnesota, for example, the hard data indicated that pay equity increases would only amount to between 2% and 4% of the total budgeted for state salaries.

Secondly, the costs of failing to implement comparable worth exceed the benefits. Better use of human resources will provide gains. And there's the simple fact that litigation -- if necessary -- will siphon off valuable resources.

Finally, the lack of pay equity costs the government and taxpayer a lot of money. As the Department of Labor has said, allowing women to earn the same amount as similarly qualified men could eliminate poverty for about half of all poor families. Poverty costs billions; pay equity can actually save money, therefore.

Conclusion

Pay equity is not a small issue of concern to only a handful of activists. It is an issue of discrimination against more than half of all Americans, namely women.

But more important, pay equity is a family issue. We have dispelled the myth that women work for pin money and luxury items. Women work because their families need their income. This isn't just true for women single parents, but for all households. Only those well-off can afford to let one wage earner earn far less than she should.

America's courts have clearly stated that Title VII covers the issue of pay equity. The time has come for all employers -- public and private -- to implement this critical program. This Subcommittee's hearings are an important first step. CWA encourages you to continue calling for pay equity action and we freely offer you our experiences and assistance as we travel the road to equality.

Thank you.